

Supply

In the seven or eight months that we have been in office, the Liberals have suddenly discovered the problems in Atlantic Canada and want to correct them overnight. It will not be done that easily, Mr. Speaker. It is a difficult task because first we must clean up the mess. We took over Government under the burden of crippling interest rates, a burdensome debt, a lack of business and investor confidence and a dollar that was under attack. There was a continuation of the regional disparities that were the highlight of the election campaign of 1968.

In 1968, when the Liberals were elected to office, the unemployment rate was 4.5 per cent, or 350,000 people. After 16 years it was 11.5 per cent, or 1.5 million unemployed Canadians. That cannot be blamed on this Conservative Government. We were paying out in unemployment insurance benefits in the order of \$400 million in 1968. It is probably in the vicinity of \$11 billion today. The blame for that cannot be laid at the doorstep of the Conservative Government.

The Liberal Government had pork-barrel policies rather than long-term policies that would provide long-term growth, stability and the production of wealth. The Liberals' policy was to throw money and hope for the best. They failed to recognize that there are some very basic regional strengths in all parts of the country.

The Atlantic region is no exception. Rather than developing those regional strengths and turning them into economic opportunities in order to create growth and jobs, rather than stimulating the entrepreneurial spirit and encouraging private enterprise and the creative spirit within the people of Atlantic Canada, the Liberals killed it.

What we are dealing with here is a legacy of failure on the part of the administration of the Party that is sponsoring this motion. They failed to provide a climate that was conducive to economic growth and job creation.

They failed to provide a climate conducive to taking advantage of that region's natural strength. Just look at the mess that the fishery industry is in. Can the Liberals blame Conservative Government for that? There is failure in forestry, there is failure in agriculture and there is failure in tourism. The potential for tourism in Atlantic Canada is enormous. I am sure that that great region could have contributed enormously to reducing the \$2 billion tourism trade deficit with which we are now burdened.

The Minister of Regional Industrial Expansion outlined a number of programs and initiatives that we are taking. The new direction that has been proposed in the economic statement in November is a very important signal not only to Atlantic Canada but to all of Canada. Clearly, if we are realistic about our situation today, I believe that as an exporting nation we will be judged by our ability to compete in the global market-place in the 1980s and 1990s. That is the reality we must face.

This country must export to survive. It cannot continue to support our life-style and standard of living without exporting our products to the extent we have in the past and without

regaining our fair share of the market-place which we have lost over the last 15 years.

● (1600)

A key component to achieving that performance is our ability to maintain an efficient, responsive and productive transportation system. I as Minister of Transport and on behalf of my Government, of which I am proud to be a member, view transportation as an essential and vital tool for economic development, particularly in the Atlantic region. In the short time we have been in office we can point to a number of initiatives we have embarked upon which illustrate that we are serious about that. The most obvious one is the reinstatement of the Atlantic rail passenger service, which will begin on June 1. This Government recognizes the importance of rail passenger service not only in terms of enhancing the economic potential of the region, but also as a unifying force across this country. Restoring the Atlantic Service really represents a fulfilment of a major commitment to Atlantic Canada, not to mention the jobs that will be created directly and indirectly, something in the order of 1,400 to 2,000.

The people of the Maritimes and the people of Canada have made it very clear they want an efficient, reliable rail passenger service. We are going to do whatever we can to satisfy that desire. We are confident that the people of Canada will respond.

We have also established the CN Marine Corporation as a separate Crown corporation. We now have a separate Crown corporation headquartered in Moncton, with corporate offices both in Charlottetown and in St. John's, that will ensure the maximum responsiveness to the region it serves. I know the service which CN Marine provides. It is very important. I know there has been some criticism about the rationalization that is taking place. Here again we must face the reality that we have to keep our unit costs down. We must acquire new vessels, a little larger, more modern, and the latest technology that will provide faster service and improve productivity. There may very well be some reductions in service in terms of frequency because we cannot have it both ways. There is a certain optimum that must be achieved. We are trying to do that. We hope that having CN Marine headquartered and managed out of the Atlantic region will enable it to respond to the realities and the needs of the people in the region.

The subsidization of freight costs to allow Atlantic producers better access to the important markets is really a channel of assistance that is available to the federal Government. In Atlantic Canada there are two Acts which are very important. These are the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act. Prior to our coming into office the usefulness of these two Acts was seriously questioned and undermined as those two very important proposals were reviewed.

I submit to you, Mr. Speaker, that during the course of that period of time there was a fair amount of uncertainty created in the minds of the people in the Atlantic region. This serves to destabilize the economy and create doubt in the minds of the